

2013 DRAFTING REQUEST

Bill

Received:	9/25/2013	Received By:	jkreye
Wanted:	As time permits	Same as LRB:	
For:	Jim Steineke (608) 266-2418	By/Representing:	jon
May Contact:		Drafter:	jkreye
Subject:	Tax, Other - miscellaneous	Addl. Drafters:	
		Extra Copies:	

Submit via email: **YES**
 Requester's email: **Rep.Steineke@legis.wisconsin.gov**
 Carbon copy (CC) to: **joseph.kreye@legis.wisconsin.gov**

Pre Topic:

No specific pre topic given

Topic:

Refund setoff hierarchy for state debt collection program and tax refund intercept program

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkreye 9/25/2013			_____			
/1	jkreye 10/1/2013	evinz 9/26/2013	jfrantze 9/26/2013	_____	mbarman 9/26/2013		State
/2		evinz 10/3/2013	jmurphy 10/3/2013	_____	sbasford 10/3/2013	sbasford 10/3/2013	State

FE Sent For:



<END>

2013 DRAFTING REQUEST

Bill

Received: **9/25/2013** Received By: **jkreye**
Wanted: **As time permits** Same as LRB:
For: **Jim Steineke (608) 266-2418** By/Representing: **jon**
May Contact: Drafter: **jkreye**
Subject: **Tax, Other - miscellaneous** Addl. Drafters:
Extra Copies:

Submit via email: **YES**
Requester's email: **Rep.Steineke@legis.wisconsin.gov**
Carbon copy (CC) to: **joseph.kreye@legis.wisconsin.gov**

Pre Topic:

No specific pre topic given

Topic:

Refund setoff hierarchy for state debt collection program and tax refund intercept program

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkreye 9/25/2013			_____ _____			
/1	jkreye 10/1/2013	evinz 9/26/2013	jfrantze 9/26/2013	_____ _____	mbarman 9/26/2013		State
/2		evinz 10/3/2013	jmurphy 10/3/2013	_____ _____	sbasford 10/3/2013		State

FE Sent For:

<END>

2013 DRAFTING REQUEST

Bill

Received: 9/25/2013 Received By: jkreye

Wanted: As time permits Same as LRB:

For: Jim Steineke (608) 266-2418 By/Representing: jon

May Contact: Drafter: jkreye

Subject: Tax, Other - miscellaneous Addl. Drafters:

Extra Copies:

Submit via email: YES

Requester's email: Rep.Steineke@legis.wisconsin.gov

Carbon copy (CC) to: joseph.kreye@legis.wisconsin.gov

*Jacket
slat 2*

Pre Topic:

No specific pre topic given

Topic:

Refund setoff hierarchy for state debt collection program and tax refund intercept program

Instructions:

See attached

Drafting History:

Vers.	Drafted	Reviewed	Typed	Proofed	Submitted	Jacketed	Required
/?	jkreye 9/25/2013						
/1		evinz 9/26/2013	jfrantze 9/26/2013		mbarman 9/26/2013		State

FE Sent For:

*2 elv
10/3/13*

Jm 10/3
<END>

2013 DRAFTING REQUEST

Bill

Received: **9/25/2013** Received By: **jkreye**
 Wanted: **As time permits** Same as LRB:
 For: **Jim Steineke (608) 266-2418** By/Representing: **jon**
 May Contact: Drafter: **jkreye**
 Subject: **Tax, Other - miscellaneous** Addl. Drafters:
 Extra Copies:

Submit via email: **YES**
 Requester's email: **Rep.Steineke@legis.wisconsin.gov**
 Carbon copy (CC) to: **joseph.kreye@legis.wisconsin.gov**

Pre Topic:

No specific pre topic given


Topic:

Refund setoff hierarchy for state debt collection program and tax refund intercept program ✓

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkreye	1 eeV 9/25/13		9/26			

FE Sent For:

<END>

Kreye, Joseph

From: Turke, Jon
Sent: Wednesday, September 25, 2013 10:51 AM
To: Kreye, Joseph
Subject: RE: child support

Correct. We haven't received an official fiscal yet from LFB on Child Support 100% above DOR debts, but based on what we've heard so far it's a little too big of a hit for Jim.

Jon Turke

Office of Rep. Jim Steineke
Assistant Majority Leader
608-266-2418

From: Kreye, Joseph
Sent: Wednesday, September 25, 2013 10:50 AM
To: Turke, Jon
Subject: RE: child support

Jon,

Does that mean that the first draw of a refund would be split between paying child support and debts owed to DOR?

Under current law, as modified by the budget (Act 20), debts owed to DOR are satisfied first then, if more than \$10 remains, the remainder goes first to pay off debts certified by DCF under s. 49.855 (1) then to debts owed by state agencies, the courts, the legislature, and authorities. Then to other debts, as specified under s. 71.93 (3) (a) 1. to 9., as created in Act 20.

Joe

Joseph T. Kreye
Senior Legislative Attorney
Legislative Reference Bureau
608 266 2263

From: Turke, Jon
Sent: Wednesday, September 25, 2013 10:17 AM
To: Kreye, Joseph
Subject: child support

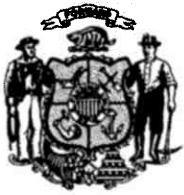
Hi Joe-

Earlier I asked for you to draft a bill related to state intercept of tax refunds for child support. The original draft placed child support above the state, but we are wondering if you could do a draft for splitting 50/50 between state/child support.

Thanks!

Jon Turke

Office of Rep. Jim Steineke
Assistant Majority Leader
608-266-2418



vk fteev

2013 BILL

SAJ
xrfj

in 9-25-13

SDON

gen cat

1 AN ACT .; relating to: the refund setoff for state debt collections.

Analysis by the Legislative Reference Bureau

Under current law, a state agency may certify to DOR debts owed to the state agency. DOR then collects the debt by subtracting the amount from any state tax refund owed to the debtor. DOR first collects any debts owed to it then the debts certified to DOR are collected in the following order: and

1. Wisconsin child support, family support, and maintenance obligations certified by the Department of Children and Families.
2. State agency debt collected pursuant to an agreement with an individual taxpayer and debt certified by the courts, the legislature, or authorities.
3. Debt owed to local units of government collected pursuant to an agreement with an individual taxpayer.
4. State agency debt, other than child support obligations.
5. Child support or spousal support obligations submitted by an agency of another state.
6. Debt certified by counties and municipalities.
7. Federal tax obligations.
8. Tribal obligations.
9. Tax obligations of other states. may

This bill provides that DOR use no more than 50 percent of the refund amount to satisfy debts owed to DOR then use the remainder to collect the debts in the order specified above. and

BILL

For further information see the **state** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 71.93[✓] (3) (a) (intro.) of the statutes, as affected by 2013 Wisconsin
2 Act 20[✓], is amended to read:

3 71.93 (3) (a) (intro.) The Using no more than 50 percent of the amount of the
4 refund or disbursement described under sub. (2), the department of revenue shall
5 setoff any debt or other amount owed to the department, regardless of the origin of
6 the debt or of the amount, its nature or its date. If after the setoff there remains a
7 refund in excess of \$10, the department shall set off the remaining refund against
8 certified debts of other entities in the following order:

History: 1987 a. 312; 1989 a. 31; 1993 a. 437; 1995 a. 27 ss. 3427 to 3429, 9126 (19), 9130 (4); 1995 a. 404; 1997 a. 3, 27; 2001 a. 16; 2003 a. 33; 2005 a. 25, 59, 254; 2007 a. 20 ss. 2141 to 2142, 9121 (6) (a); 2007 a. 97, 200; 2009 a. 28; 2013 a. 20.

9 SECTION 2. Effective date.

10 (1) This act takes effect on January 1, 2014.

11 (END)

Kreye, Joseph

From: Turke, Jon
Sent: Tuesday, October 01, 2013 2:03 PM
To: Kreye, Joseph
Subject: RE: child support

Yes that is correct. First draw before DOR.

Jon Turke

Office of Rep. Jim Steineke
Assistant Majority Leader
608-266-2418

From: Kreye, Joseph
Sent: Tuesday, October 01, 2013 1:50 PM
To: Turke, Jon
Subject: RE: child support

Jon,

Are you saying that child support would get first draw before DOR? Under current law, DOR gets the first draw then, if at least \$10 remains, the next draw goes to child support, then to other state agencies, etc.

Joe

Joseph T. Kreye
Senior Legislative Attorney
Legislative Reference Bureau
608 266 2263

From: Turke, Jon
Sent: Tuesday, October 01, 2013 1:42 PM
To: Kreye, Joseph
Subject: RE: child support

Ok, I promise this is the last time we're changing it. Fiscal Bureau came back with a much lower number than they first stated, so we would like to go to the original draft of placing child support 100% above state debts. Please jacket.

Thanks!

Jon Turke

Office of Rep. Jim Steineke
Assistant Majority Leader
608-266-2418

From: Turke, Jon
Sent: Wednesday, September 25, 2013 10:51 AM
To: Kreye, Joseph
Subject: RE: child support

Correct. We haven't received an official fiscal yet from LFB on Child Support 100% above DOR debts, but based on what we've heard so far it's a little too big of a hit for Jim.

Jon Turke

Office of Rep. Jim Steineke
Assistant Majority Leader
608-266-2418

From: Kreye, Joseph
Sent: Wednesday, September 25, 2013 10:50 AM
To: Turke, Jon
Subject: RE: child support

Jon,

Does that mean that the first draw of a refund would be split between paying child support and debts owed to DOR?

Under current law, as modified by the budget (Act 20), debts owed to DOR are satisfied first then, if more than \$10 remains, the remainder goes first to pay off debts certified by DCF under s. 49.855 (1) then to debts owed by state agencies, the courts, the legislature, and authorities. Then to other debts, as specified under s. 71.93 (3) (a) 1. to 9., as created in Act 20.

Joe

Joseph T. Kreye
Senior Legislative Attorney
Legislative Reference Bureau
608 266 2263

From: Turke, Jon
Sent: Wednesday, September 25, 2013 10:17 AM
To: Kreye, Joseph
Subject: child support

Hi Joe-

Earlier I asked for you to draft a bill related to state intercept of tax refunds for child support. The original draft placed child support above the state, but we are wondering if you could do a draft for splitting 50/50 between state/child support.

Thanks!

Jon Turke

Office of Rep. Jim Steineke
Assistant Majority Leader
608-266-2418



State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-3248/1

JK:eev:jf

RMR

2013 BILL

in 10-1-13

due Friday
10-4

re gen

- 1 AN ACT *to amend* 71.93 (3) (a) (intro.) of the statutes; **relating to:** the refund
- 2 setoff for state debt collections.

Analysis by the Legislative Reference Bureau

Under current law, a state agency may certify to DOR debts owed to the state agency. DOR then collects the debt by subtracting the amount from any state tax refund owed to the debtor. DOR first collects any debts owed to it, and then the debts certified to DOR are collected in the following order:

1. Wisconsin child support, family support, and maintenance obligations certified by the Department of Children and Families.
2. State agency debt collected pursuant to an agreement with an individual taxpayer and debt certified by the courts, the legislature, or authorities.
3. Debt owed to local units of government collected pursuant to an agreement with an individual taxpayer.
4. State agency debt, other than child support obligations.
5. Child support or spousal support obligations submitted by an agency of another state.
6. Debt certified by counties and municipalities.
7. Federal tax obligations.
8. Tribal obligations.
9. Tax obligations of other states.

This bill provides that DOR may use no more than 50 percent of the refund amount to satisfy debts owed to DOR and then use the remainder to collect the debts in the order specified above.

Insert
A

BILL

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 71.93 (3) (a) (intro.) of the statutes, as affected by 2013 Wisconsin
2 Act 20, is amended to read:

3 71.93 (3) (a) (intro.) The Using no more than 50 percent of the amount of the
4 refund or disbursement described under sub. (2), the department of revenue shall
5 setoff any debt or other amount owed to the department, regardless of the origin of
6 the debt or of the amount, its nature or its date. If after the setoff there remains a
7 refund in excess of \$10, the department shall set off the remaining refund against
8 certified debts of other entities in the following order:

9 **SECTION 2. Effective date.**

10 (1) This act takes effect on January 1, 2014.

11 (END)

**2013-2014 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-3248/2ins
JK:eev:jf

Insert A

Under this bill, DOR first collects Wisconsin child support, family support, and maintenance obligations certified by the Department of Children and Families before collecting any other debt.

Insert 2 - 8

SAJ
xref

①

SECTION 1. 71.93 (3) (a) (intro.) of the statutes ^X is amended to read:

as affected by 2013
Wisconsin Act 20,

2 71.93 (3) (a) (intro.) The department of revenue shall setoff any debt or other
3 ~~amount owed to the department, regardless of the origin of the debt or of the amount,~~
4 ~~its nature or its date~~ [✓] under s. 49.855 (1), certified by the department of children and
5 ~~families under sub. (2).~~ [✓] If after the setoff there remains a refund in excess of \$10, the
6 department shall set off the remaining refund against certified debts of other entities
7 in the following order:

History: 1987 a. 312; 1989 a. 31; 1993 a. 437; 1995 a. 27 ss. 3427 to 3429, 9126 (19), 9130 (4); 1995 a. 404; 1997 a. 3, 27; 2001 a. 16; 2003 a. 33; 2005 a. 25, 59, 254; 2007 a. 20 ss. 2141 to 2142, 9121 (6) (a); 2007 a. 97, 200; 2009 a. 28; 2013 a. 20.

8 **SECTION 2.** 71.93 (3) (a) 1. of the statutes, as created [✓] by 2013 Wisconsin Act [✓] 20,
9 is repealed.

10 **SECTION 3.** 71.93 (3) (a) 1m. of the statutes is created [✓] to read:

11 71.93 (3) (a) 1m. Debt or other amount owed to the department, regardless of
12 the origin of the debt or of the amount, its nature, or its date.

13 **SECTION 4.** 71.93 (8) (b) 6. of the statutes, as affected [✓] by 2013 Wisconsin Act [✓] 20,
14 is amended to read:

15 71.93 (8) (b) 6. If the debtor owes debt to the department and to other entities,
16 payments shall first apply to debts owed to the department of children and families
17 under s. 49.855 (1) [✓] then to the other entities in the order determined under sub. (3)
18 (a). [✓]

NOTE: NOTE: Subd. 6. is shown as amended eff. 1-1-14 by 2013 Wis. Act 20. Prior to 1-1-14 it reads: **NOTE:**

6. If the debtor owes debt to the department and to other entities, payments shall first apply to debts owed to the department, then to the state agencies, the courts, the legislature, and authorities, as defined in s. 16.41 (4), in the order in which the debts were referred to the department, and then to local units of government in the order in which the debts were referred to the department.

History: 1987 a. 312; 1989 a. 31; 1993 a. 437; 1995 a. 27 ss. 3427 to 3429, 9126 (19), 9130 (4); 1995 a. 404; 1997 a. 3, 27; 2001 a. 16; 2003 a. 33; 2005 a. 25, 59, 254; 2007 a. 20 ss. 2141 to 2142, 9121 (6) (a); 2007 a. 97, 200; 2009 a. 28; 2013 a. 20.

Insert 1-13

Insert 1-13

Section #. 71.93 (3) (am) of the statutes is amended to read:

1m.

71.93 (3) (am) If more than one certified debt exists for any debtor for the same type of debt specified under par. (a) ~~1.~~ to 9., the refund shall be first set off against the earliest debt certified, except that no child support or spousal support obligation submitted by an agency of another state may be set off until all debts owed to and certified by state agencies of this state have been set off. When all debts have been satisfied, any remaining refund shall be refunded to the debtor by the department. Any legal action contesting a setoff under this paragraph shall be brought against the entity that certified the debt.

History: 1987 a. 312; 1989 a. 31; 1993 a. 437; 1995 a. 27 ss. 3427 to 3429, 9126 (19), 9130 (4); 1995 a. 404; 1997 a. 3, 27; 2001 a. 16; 2003 a. 33; 2005 a. 25, 59, 254; 2007 a. 20 ss. 2141 to 2142, 9121 (6) (a); 2007 a. 97, 200; 2009 a. 28; 2013 a. 20.